

The image shows the front cover of a spiral-bound notebook. The cover has a brown border and a light beige, textured center. On the left side, there is a silver-colored metal spiral binding. The text is centered on the beige background.

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Scenario I

Basic Trust Fund
Accounting

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Scenario I – Basic Trust Fund Accounting

This section illustrates basic accounting transactions and reporting for standard trust fund accounts. The purpose of this section is to highlight new accounting treatment that has been developed for trust funds as a result of concepts addressed in the FASAB Revenue Standard #7 – Accounting for Revenue and Other Financing Sources and OMB Circulars A-11 and A-34. It focuses particularly on how to account for trust fund receipts and transfers, including expenditure/nonexpenditure and exchange/nonexchange transactions. This scenario excludes investment transactions, which are illustrated as a separate section in the guide.

The scenario illustrates the use of the following new SGL accounts that have been established for fiscal 2000 reporting and beyond. Visit the SGL web site for interim trust fund guidance as needed (www.fms.treas.gov/ussgl/sgl-impl.html).

4114 Appropriated Trust of Special Fund Receipts
1335 Nonexchange Expenditure Transfers Receivable
2155 Nonexchange Expenditure Transfers Payable
5750 Expenditure Financing Sources – Transfers In
5755 Non-expenditure Trust Fund Financing Sources – Transfers In
5760 Expenditure Financing Sources – Transfers Out
5765 Non-expenditure Trust Fund Financing Sources – Transfers Out

Scenario Guidelines

- This scenario is not all inclusive of the different types of revenues that may be collected by a trust fund entity. Refer to SGL TFM S2-00-01, Section III: Accounting Transactions for other revenues that may be credited to trust funds.
- This scenario assumes the trust fund as a whole is subject to apportionment. For trust fund activities that are not subject to apportionment, use SGL account 4620 – Unobligated Funds Not Subject to Apportionment. Refer to SGL TFM S2-00-01, Section III: Accounting Transactions for related transactions.

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Scenario I – Basic Trust Fund Accounting

1. **To record collection of tax receipts*. Receipts are deposited into a trust fund receipt account and automatically appropriated to the corresponding expenditure account.**

1010	Fund Balance With Treasury	50,000	
	5800G Tax Revenue Collected		50,000
4114	Appropriated Trust or Special Fund Receipts	50,000	
4450	Unapportioned Authority		50,000

2. **To record the apportionment of funds.**

4450	Unapportioned Authority	20,000	
4510	Apportionments		20,000

3. **To record the allotment of funds.**

4510	Apportionments	20,000	
4610	Allotments – Realized Resources		20,000

4. **To record obligations incurred.**

4610	Allotments – Realized Resources	15,000	
4801	Unexpended Obligations – Unpaid		15,000

5. **To record payable for expenses incurred.**

6100N	Operating Expenses/Program Costs	15,000	
2110N	Accounts Payable		15,000
4801	Unexpended Obligations – Unpaid	15,000	
4901	Expended Authority – Unpaid		15,000

6. **To record a non-expenditure allocation transfer-out (SF 1151: Nonexpenditure Transfer Authorization) to another agency's trust fund allocation expenditure account.**

5765G	Nonexpenditure Trust Fund Financing Sources – Transfers-Out	10,000	
1010	Fund Balance With Treasury		10,000
4450	Unapportioned Authority	10,000	
4175	Allocation Transfers of Current-Year Authority		10,000

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Scenario I – Basic Trust Fund Accounting

7. To record payment and expenditure of amounts established in transaction #5.

2110N Accounts Payable	15,000	
1010 Fund Balance With Treasury		15,000
4901 Expended Authority – Unpaid	15,000	
4902 Expended Authority – Paid		15,000

8. To record a non-expenditure appropriation transfer-in (SF 1151: Nonexpenditure Transfer Authorization) from another agency's trust fund expenditure account.

1010 Fund Balance With Treasury	7,000	
5755G Nonexpenditure Trust Fund Financing Sources – Transfers-In		7,000
4170 Transfers – Current-Year Authority	7,000	
4450 Unapportioned Authority		7,000

9. To record penalties collected from Federal sources. Receipts are deposited into a trust fund receipt account and automatically appropriated to the corresponding expenditure account.

1010 Fund Balance With Treasury	25,000	
5320G Penalties, Fines and Administrative Fees Revenue		25,000
4114 Appropriated Trust or Special Fund Receipts	25,000	
4450 Unapportioned Authority		25,000

10. To record expenditure transfers-in of \$5,000 for services provided (exchange transaction, not subject to the Economy Act) and \$12, 000 for amounts appropriated by law (nonexchange transaction).

1010 Fund Balance With Treasury	17,000	
5200G Revenue from Services Provided		5,000
5750G Expenditure Financing Sources – Transfers-In		12,000
4114 Appropriated Trust or Special Fund Receipts	17,000	
4450 Unapportioned Authority		17,000

11. To record expenditure transfers-out of \$2,000 for expenses incurred to run a program (exchange transaction) and \$1,000 for amounts transferred by law (nonexchange transaction). (Omit budgetary steps of apportionment process.)

5760G Expenditure Financing Sources – Transfers-Out	1,000	
6100G Operating Expenses/Program Costs	2,000	
1010 Fund Balance With Treasury		3,000

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Scenario I – Basic Trust Fund Accounting

	4450	Unapportioned Authority	3,000	
	4902	Expended Authority – Paid		3,000
12.	To record a payable for a nonexchange expenditure transfer-out. (Omit budgetary steps of apportionment process.)			
	5760G	Expenditure Financing Sources – Transfers-Out	4,000	
	2155G	Expenditure Transfers Payable		4,000
	4450	Unapportioned Authority	4,000	
	4901	Expended Authority – Unpaid		4,000
13.	To record the actual nonexchange expenditure transfer-out from transaction #12 via OPAC.			
	2155G	Expenditure Transfers Payable	4,000	
	1010	Fund Balance With Treasury		4,000
	4901	Expended Authority – Unpaid	4,000	
	4902	Expended Authority – Paid		4,000

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Scenario I – Basic Trust Fund Accounting

PRE-CLOSING ADJUSTED TRIAL BALANCES

Proprietary		Budgetary	
1010	67,000	4114	92,000
5200	5,000	4170	7,000
5320	25,000	4175	10,000
5750	12,000	4450	62,000
5755	7,000	4610	5,000
5760	5,000	4902	<u>22,000</u>
5765	10,000		99,000 99,000
5800	50,000		
6100	<u>17,000</u>		
	99,000 99,000		

CLOSING ENTRIES

Proprietary

C1) To close revenues to cumulative results

5200 5,000
 5320 25,000
 5750 12,000
 5755 7,000
 5800 50,000
3310 84,000
 5760 5,000
 5765 10,000

C2) To close expenses to cumulative results.

3310 17,000
 6100 17,000

Budgetary

C1) To consolidate resources.

4175 10,000
4201 89,000
 4114 92,000
 4170 7,000

C2) To close unoblig. balances to unapport. auth.

4610 5,000
 4450 5,000

C3) To close unexpended authority – paid.

4902 22,000
 4201 22,000

POST-CLOSING TRIAL BALANCES

Proprietary		Budgetary	
1010	67,000	4201	67,000
3310	67,000	4450	67,000

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Scenario I – Basic Trust Fund Accounting

TRUST FUND STATEMENT OF NET COST

1.	Program Costs	
	A. Intragovernmental	
	1. Production (6100G)	2,000
	B. Public	
	1. Production (6100N)	15,000
	C. Total Program Cost (calc)	
	D. Less Earned Revenues (5200G)	(5,000)
	E. Net Program Costs (calc)	12,000
2.	Costs Not Assigned to Programs	
3.	Less Earned Revenues Not Attributable to Programs	
4.	Net Cost Of Operations	<u>12,000</u>

TRUST FUND STATEMENT OF CHANGES IN NET POSITION

1.	Net Cost of Operations	12,000
2.	Financing Sources	
	(Other than exchange revenues):	
	A. Appropriations Used	
	B. Taxes (and other nonexchange revenue) (5320+5800)	75,000
	C. Donations (nonexchange revenue)	
	D. Imputed Financing	
	E. Transfers-in (5750+5755)	19,000
	F. Transfers-out (5760+5765)	(15,000)
	G. Other	
3.	Net Results of Operations (calc)	67,000
4.	Prior Period Adjustments	
5.	Net Change in Cumulative Results of Operations	
6.	Increase (Decrease) in Unexpended Appropriations	
7.	Change in Net Position	
8.	Net Position-Beginning of the Period	
9.	Net Position-End of Period (calc)	67,000

(Note: When preparing consolidated statements, perform intra-agency elimination entries for expenditure and nonexpenditure transfers within an agency.)

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Scenario I – Basic Trust Fund Accounting

TRUST FUND STATEMENT OF FINANCING

1.	Obligations and Nonbudgetary Resources	
A.	Obligations Incurred (4902)	22,000
B.	Less: Spending Authority from Offsetting Collections and Adjustments	
C.	Donations Not in the Entity's Budget	
D.	Financing Imputed for Cost Subsidies	
E.	Transfers-in (out)	
F.	Exchange Revenue Not in the Entity's Budget	
G.	Nonexchange Revenue Not in the Entity's Budget	
H.	Less: Trust or Special Fund Receipts Related to Exchange Revenue in the Entity's Budget (5200)	(5,000)
I.	Other	
J.	Total Obligations as Adjusted and Nonbudgetary Resources	17,000
2.	Resources That Do Not Fund Net Cost of Operations	
A.	Change in Amount of Goods Services and Benefits Ordered but Not Yet Prov (Net Incr) Net Decr	
B.	Change in Unfilled Customer Orders	
C.	Costs Capitalized on the Balance Sheet (Increases) Decreases	
D.	Financing Sources That Fund Costs of Prior Periods	
E.	Collections that Decr Credit Program Receivables or Incr Credit Program Liabilities	
F.	Adjustment for Trust Fund Outlays That Do Not Affect Net Cost (5760)	(5,000)
G.	Other	
H.	Total Resources That Do Not Fund Net Costs of Operations	(5,000)
3.	Costs That Do Not Require Resources	
A.	Depreciation and Amortization	
B.	Bad Debts Related to Uncollectible Non-Credit Reform Receivables	
C.	Revaluation of Assets and Liabilities	
D.	Loss of Disposition of Assets	
E.	Other	
F.	Total Costs That Do Not Require Resources	
4.	Financing Sources Yet to be Provided	
5.	Net Cost of Operations	<u>12,000</u>

(Note: When preparing consolidated statements, perform intra-agency elimination entries for expenditure and nonexpenditure transfers within an agency.)

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Scenario I – Basic Trust Fund Accounting

TRUST FUND STATEMENT OF BUDGETARY RESOURCES

BUDGETARY RESOURCES

1.	Budget Authority (SF-133, line 1)	
	A. Appropriations (4114)	92,000
	D. Net Transfers, Current Year Authority (4170+4175)	(3,000)
2.	Unobligated Balance (SF-133, line 2)	
3.	Spending Authority from Offsetting Collections (SF-133, line 3)	
4.	Adjustments (SF-133, lines 4-6)	
5.	Total Budgetary Resources	89,000

STATUS OF BUDGETARY RESOURCES

6.	Obligations Incurred (SF-133, line 8) (4902)	22,000
7.	Unobligated Balances Available (SF-133, line 9)	
	A. Apportioned (4610)	5,000
8.	Unobligated Balances Not Yet Available (SF-133, line 10)	
	D. Other (4450)	62,000
9.	Total, Status of Budgetary Resources (SF-133, line 11)	89,000

OUTLAYS

10.	Obligations Incurred (SF-133, line 8) (4902)	22,000
11.	Less: Spending Authority From Offsetting Collections and Adjustments (SF-133, lines 3A, B, D, & 4A)	
12.	Obligated Balance, Net - Beginning of the Period (SF-133, line 12)	
13.	Obligated Balance Transferred, Net (SF-133, line 13)	
14.	Less: Obligated Balance, Net - End of Period (SF-133, line 14)	
15.	Total Outlays (SF-133, line 15)	
	A. Disbursements (4902)	22,000
	B. Collections	

(Note: When preparing consolidated statements, perform intra-agency elimination entries for expenditure and nonexpenditure transfers within an agency.)

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Scenario I – Basic Trust Fund Accounting

SF-133 (Year-End)

BUDGETARY RESOURCES

1.	Budget Authority	
	A. Appropriations (4114)	92,000
	D. Net Transfers, Current Year Authority Realized (Net 4170+4175)	(3,000)
2.	Unobligated Balance	
3.	Spending Authority from Offsetting Collections (gross)	
4.	Recoveries of Prior Year Obligations	
5.	Temporarily Not Available Pursuant to Public Law	
6.	Permanently Not Available	
7.	Total Budgetary Resources	89,000

STATUS OF BUDGETARY RESOURCES

8.	Obligations Incurred (4902)	22,000
9.	Unobligated Balance (available) (4610)	5,000
10.	Unobligated Balance Not Available (4450)	62,000
11.	Total, Status of Budgetary Resources	89,000

RELATION OF OBLIGATIONS TO OUTLAYS

12.	Obligated Balance, net as of October 1	
13.	Obligated Balance Transferred, net	
14.	Obligated balance, net, end of period	
15.	Outlays	
	A. Disbursements (4902)	22,000
	B. Collections	

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Col 5	Post-closing Unexpended Balance (1010)	67,000
Col 11	Unobligated Balance (4450+4610)	67,000